

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
PORTER COUNTY, INDIANA
January 1, 2013 to December 31, 2013



FILED
03/13/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Robert J. Wichlinski	01-01-11 to 12-31-14
County Treasurer	Michael Bucko Michelle L. Clancy	01-01-11 to 07-25-14 07-26-14 to 12-31-14
Clerk of the Circuit Court	Karen M. Martin	01-01-11 to 12-31-14
County Sheriff	David E. Lain	01-01-11 to 12-31-14
County Recorder	Jon C. Miller	01-01-11 to 12-31-14
President of the Board of County Commissioners	John A. Evans	01-01-13 to 12-31-14
President of the County Council	Jeremy Rivas Bob Poparad Daniel Whitten	01-01-13 to 03-10-13 03-11-13 to 12-31-13 01-01-14 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF PORTER COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Porter County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2013.

Basis for Qualified Opinion on Regulatory Basis of Accounting

We were unable to audit the trust balance of the Office of the Clerk of the Circuit Court at December 31, 2013, because detailed information from the Clerk of the Circuit Court's Trust Register was not available. This amount is \$2,928,021 of the total cash and investment balance of \$5,789,243 in the Clerk of the Circuit Court's Trust fund at December 31, 2013. We were unable to apply alternative procedures to satisfy ourselves of the accuracy of these balances.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter discussed in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2013, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

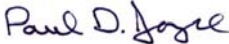
INDEPENDENT AUDITOR'S REPORT
(Continued)

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

November 6, 2014



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF PORTER COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Porter County (County), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated November 6, 2014, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America. The opinion to the financial statement relative to the regulatory basis of accounting was qualified because we were unable to verify the trust balance for the Office of the Clerk of the Circuit Court.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, 2013-003, 2013-004, and 2013-005 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

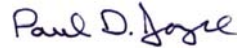
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-004, and 2013-005.

Porter County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

November 6, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

PORTER COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Sheriff's Inmate Trust	\$ 129,451	\$ 838,809	\$ 804,515	\$ 163,745
Jail Commissary	99,918	222,834	267,732	55,020
Clerk's Trust	5,884,442	23,603,538	23,698,737	5,789,243
Sheriff's Cashbook	-	6,150,801	6,150,801	-
General	2,830,862	38,868,273	41,442,133	257,002
Accident Report	9,704	14,825	5,000	19,529
Bid Deposits and Bonds Holding	50,000	-	-	50,000
CEDIT County Share	9,471,932	5,011,690	6,541,799	7,941,823
CEDIT - Special Legislation	3,003,442	3,500,000	3,500,000	3,003,442
Child Advocacy	7,812	250	-	8,062
City and Town Court Costs	70,514	55,743	-	126,257
Clerk's Records Perpetuation	54,230	54,964	61,960	47,234
Community Corrections	88,783	95,745	120,317	64,211
Community Transition Program	35,820	-	-	35,820
Congressional School Interest	26,665	-	-	26,665
Congressional School Principal	25,066	-	-	25,066
Sales Disclosure - County Share	46,417	16,985	-	63,402
Covered Bridge	4,850	-	-	4,850
Cumulative Bridge	1,730,204	485,342	1,204,096	1,011,450
Cumulative Capital Development	3,890,468	1,677,899	2,864,640	2,703,727
Drug Free Community	30,960	167,536	188,746	9,750
Electronic Map Generation	7,307	307	-	7,614
Emergency Medical Services	303,017	37,500	90,410	250,107
Emergency Planning/Right To Know	6,232	7,935	2,711	11,456
Enhanced Access	81,830	19,675	32,258	69,247
Extradition and Sheriff's Assistance	5,609	2,415	-	8,024
Firearms Training	21,746	66,840	61,827	26,759
Health	1,429,713	1,533,585	1,500,308	1,462,990
Identification Security Protection	98,316	17,968	62,938	53,346
Levy Excess	-	2,150	-	2,150
Local Health Maintenance	121,082	72,689	73,008	120,763
Local Road and Street	508,999	964,974	606,991	866,982
Major Moves Construction	11,589,749	51,179	1,283,701	10,357,227
Medical Care for Inmates	8,578	15,830	15,000	9,408
Motor Vehicle Highway	1,373,556	3,917,309	4,391,913	898,952
Park Nonreverting Capital	27,046	-	17,124	9,922
Planning and Zoning Impact	216,932	550,611	579,266	188,277
Plat Book	33,261	36,520	2,187	67,594
Rainy Day	4,657,501	-	1,734,598	2,922,903
Reassessment - 2009	25,484	-	-	25,484
Reassessment - 2015	371,430	362,686	424,542	309,574
Recorder's Records Perpetuation	219,411	308,212	207,417	320,206
Riverboat	36,270	405,712	418,225	23,757
Sex and Violent Offender Administration	20,287	6,089	3,764	22,612
Sheriff's Pension Trust	-	83,136	83,136	-
Additional Excise Tax Judgments	206	-	-	206
Supplemental Public Defender Services	298,574	61,357	74,915	285,016
Surplus Tax	1,236,651	816,082	835,079	1,217,654
Surveyor's Corner Perpetuation	6,379	31,675	30,020	8,034
Tax Sale Fees	28,395	80,680	26,407	82,668
Tax Sale Redemption	31,359	1,396,632	1,086,345	341,646
Tax Sale Surplus	4,299,698	6,073,309	4,055,966	6,317,041
Local Health Department Trust Account	96,096	31,360	51,821	75,635
Vehicle Inspection	5,455	2,340	2,800	4,995
Victim Impact Program	10,500	-	-	10,500
Court Appointed Special Advocate (CASA)	2,863	19,906	19,906	2,863
Auditors Ineligible Deductions	806,838	294,884	666,951	434,771
County Elected Officials Training	23,284	16,629	-	39,913
County Offender Transportation Fund	4,500	1,812	-	6,312
Hazardous Waste Disposal Tax	80,974	7,200	18,187	69,987
Statewide E-911	225,366	1,878,057	1,580,568	522,855
Block Grant	300	-	300	-
Juvenile Probation Administrative	49,266	74,608	78,573	45,301
Supplemental Adult Probation Services	613,126	722,510	873,256	462,380
Supplemental Juvenile Probation Services	138,403	221,818	208,251	151,970
Alternative Dispute Resolution	53,558	67,718	77,403	43,873
County User Fee	1,422,066	926,511	887,516	1,461,061
Drain Construction/Reconstruction	104,928	104,114	144,015	65,027
Drainage Maintenance	2,065,270	467,826	474,699	2,058,397
Lake Eliza Grant	47,890	408,841	437,625	19,106
Animal Shelter	49,887	52,043	63,000	38,930
Drug Task Force	47,938	60,000	75,766	32,172
Parking Facility Operating	9,044	5,652	125	14,571
Donations	150,436	53,382	34,864	168,954
Debt Service	418,366	5,186,320	4,532,918	1,071,768
Self-Insurance	16,518	13,733,321	12,146,551	1,603,288
Payroll Clearing	2,673	-	-	2,673
Payroll Withholding - Donations	-	4,098	4,098	-
Payroll Withholding - Insurance	-	794,892	795,432	(540)
Payroll Withholding - Other	-	28,366	28,366	-
Payroll Withholding - Savings	-	8,450	8,450	-
Payroll Withholding - Deferred Compensation	-	243,103	243,103	-
Payroll Withholding - Federal	-	2,631,899	2,631,899	-
Payroll Withholding - FICA & Medicare	-	1,916,338	1,916,338	-

The notes to the financial statement are an integral part of this statement.

PORTER COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Payroll Withholding - Flex Spending	-	78,425	78,425	-
Payroll Withholding - Local Tax	-	136,471	136,471	-
Payroll Withholding - PERF	-	764,286	765,665	(1,379)
Payroll Withholding - State	-	840,905	840,905	-
Payroll Withholding - Wage Garnishments	-	140,428	140,428	-
Settlement	1,697,270	222,983,118	224,680,388	-
CVET Agency	-	1,264,779	1,264,779	-
Final Excise Tax Cut Replacement Due State	-	3,598,253	-	3,598,253
Financial Institution Tax	-	327,333	327,333	-
CEDIT Homestead Credit	-	7,344,861	7,488,336	(143,475)
HEA 1001 State Homestead Credit	47,618	1,177	-	48,795
Homestead Credit Rebate	-	43,553	40,346	3,207
State Fines and Forfeitures	2,699	50,344	48,989	4,054
Infraction Judgements	47,889	594,565	331,026	311,428
Overweight Vehicle Fines	9,144	227,149	97,450	138,843
Special Death Benefit	745	12,883	6,799	6,829
Sales Disclosure - State Share	1,500	16,985	7,450	11,035
Coroners Training & Con't Education	-	24,269	11,538	12,731
Interstate Compact - State Share	188	1,562	750	1,000
Mortgage Recording Fees - State Share	1,870	22,116	12,113	11,873
DLGF Homestead Property Database	21	487	18	490
Sex and Violent Offender Admin - State	28	676	549	155
Child Restraint Violations Fines	350	2,357	1,325	1,382
Inheritance Tax	1,354,079	1,781,029	3,068,424	66,684
Sales Tax Collections	2,108	21,791	20,749	3,150
Education Plate Fees Agency	-	4,481	4,481	-
Riverboat Revenue Sharing	-	973,555	973,555	-
Innkeepers Tax Collections	-	1,219,546	1,219,546	-
Judgments Due Law Enforcement	260	-	-	260
CEDIT Distribution	-	21,651,276	21,651,276	-
93.563 ARRA Prosecutor IV-D Incentive	19,541	-	-	19,541
93.563 ARRA Clerk IV-D Incentive	2,036	-	731	1,305
93.563 Title IV-D Incentive	104,144	58,529	87,908	74,765
93.563 Prosecutor IV-D Incentive-Prior To Oct '99	53	-	-	53
93.563 Prosecutor IV-D Incentive-Post Oct '99	185,629	88,064	64,385	209,308
93.563 Clerk IV-D Incentive-Prior To Oct '99	109	-	-	109
93.563 Clerk IV-D Incentive-Post Oct '99	226,010	58,529	47,425	237,114
National Park Taxes	19,646	19,186	-	38,832
JDAI Grant	(24,927)	20,996	-	(3,931)
Domestic Violence Grant	(22,506)	76,305	81,498	(27,699)
Stop Grant Prosecutor	(5,429)	19,714	28,932	(14,647)
Indiana Court Improvement Project	5,460	-	-	5,460
SCAAP Grant	1,760	338	-	2,098
Sheriff DEA Proceeds Federal Grant	66,426	4,662	8,351	62,737
Bioterrorism Response Grant	3,151	81,688	83,883	956
SHSP Homeland Security Grant	-	457,499	420,707	36,792
CFDA# 14.253	(2,315)	-	-	(2,315)
Dunes/Kankakee Grant	123,257	-	34,898	88,359
Fam & Child Grant	15,352	9,265	9,721	14,896
Sunset Grant	-	135	135	-
Park Grant	9,236	1	870	8,367
PACT	34,764	368,053	354,605	48,212
Doc Juv Basic T	-	224,132	224,132	-
Court Int Grant	4,048	120	2,806	1,362
Drug Ct-Testing	7,516	4,000	43	11,473
Fam Ct Donations	21,957	20,000	20,222	21,735
OWI Fatal/Drugs	911	16,077	600	16,388
Cal Trail Grant	178,081	50,000	189,817	38,264
Health Dist 1	1	100,000	100,000	1
Val Rtry Lcl Gt	-	4,125	4,061	64
Nat'l Parks-Ngo	-	15,000	9,953	5,047
Hospital Liability	834,663	80,107	149,655	765,115
Hospital Interest	11,175,850	1,539,001	3,544,544	9,170,307
Hospital Sale	159,382,236	-	792,917	158,589,319
Cable Franchise	865,551	587,312	476,408	976,455
Public Safety	109,447	229,839	238,073	101,213
Photo Duplicate	11,063	2,783	5,955	7,891
Inmate Processing	12,204	61,441	68,000	5,645
Memorial Opera House Man	33,792	293,351	352,992	(25,849)
JDC Service	133,065	63,840	144,467	52,438
TS Wire Surplus	-	105,000	105,000	-
Refunds	13,497	49,730	49,730	13,497
Sunset Hill	4,787	-	2,298	2,489
Dunn's Bridge	1,498	-	1,487	11
Sheriff Civil Bureau Inmate Processing Fee	-	11,586	5,500	6,086
Sheriff Awards Banquet	2,725	5,700	5,170	3,255
Treasurer Supplemental CAR	3,194,392	3,876,075	3,194,392	3,876,075
PC Tourism Supplemental CAR	631,701	1,351,520	1,260,778	722,443
Park Operating	80,046	129,107	144,975	64,178
Vending Machine Fund	2,482	-	-	2,482
Video Tape Fees-Sheriff	2,555	-	-	2,555
South County Highway Garage	3,276	-	-	3,276
Coroner - Non-Reverting	1,200	-	-	1,200
Kankakee River	5,069	-	-	5,069

The notes to the financial statement are an integral part of this statement.

PORTER COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Prosecutor Check Defferal Fund	15,336	-	-	15,336
Settlement Holding Fund	13,074	-	-	13,074
All Funds Account	43,637	-	-	43,637
Suicide Grant	354	-	-	354
Medical Reserve Core Grant	126,365	-	-	126,365
Community Emergency Response	555	-	-	555
Coastal Grant	3,675	-	-	3,675
Adult Home Detention	55,867	-	-	55,867
Family Court Grant	1,482	-	-	1,482
Early Intervention	1,114	-	-	1,114
Health Performance Grant	5,189	-	-	5,189
Juvenile Detention Mental Health	7	-	-	7
Citizens Corp	2,000	-	-	2,000
Project Care	2,636	-	-	2,636
Qwest Prof.	24	-	-	24
LCJI Grant	94	-	-	94
Arcelor Mittal Grant	-	-	4,673	(4,673)
Crumb Rub Grant	146	-	-	146
All Grant Funds	-	7,424	7,424	-
Coastal Zone Management Grant	-	100,300	-	100,300
Totals	<u>\$ 241,914,037</u>	<u>\$ 401,971,483</u>	<u>\$ 408,102,548</u>	<u>\$ 235,782,972</u>

The notes to the financial statement are an integral part of this statement.

PORTER COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

PORTER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

PORTER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

PORTER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. *Deposits and Investments*

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. *Risk Management*

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. *Pension Plans*

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

PORTER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

Note 7. Contingent Liabilities and Lawsuits

The County has been named as a defendant in several pending lawsuits of which the outcome and the amount of potential damages has not been estimated.

PORTER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Some of these are the result of expenditures from grant funds that had not been reimbursed as of December 31, 2013. Other funds with cash deficits were due to expenditures exceeding available cash balances and current year receipts.

Note 9. Subsequent Events

In 2014, the County's Self-Insurance fund was under funded at budget time. The original amount appropriated was \$1,708,913. The County expended an average of \$1,000,000 per month in Self-Insurance claims. This has forced the County to appropriate money out of funds other than the General fund, specifically CEDIT County Share, to help cover the shortfall. As of November 1, 2014, the County will need additional appropriations to cover the last two months of 2014.

Note 10. Combined Funds

The following funds were reported individually in the prior financial statement, but were combined in the current financial statement: CEDIT Funds #1 through #38, CEDIT Unallocated, Building Maintenance, Museum/Opera House/Animal, Promote and Market Porter Co, Storm Water Drain Management, and Unsafe Building were combined into the CEDIT County Share fund; Jury Pay, PC Sheriff Civil Fees, Sheriff's Continued Education #2, Pro. Law Continued Ed., Pretrial Diversion, and Prosecutor Deferral were combined into the County User Fee fund; Animal Donation, PCADOS Donation, Wildlife, Paul C Zona Sr Wildlife Donate, Health Donation, Health Department Immunization, Juvenile Detention Donation, Cal. Trail Donations, Sheriff Donation, and Gal/CASA Donation were combined into the Donations fund; Jail Lease Rent, Juvenile Housing Debt, Fairground Bond, Court House Bond, and Juv. Serv. Center Bond were combined into the Debt Service fund; Sheriff Drug Unit and Forfeited Property were combined into the Drug Task Force fund; and the Federal Jail Commissioners and Housing of Federal Prisoners funds were combined with the General fund in 2013.

SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013

	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	Sheriff's Cashbook	General	Accident Report	Bid Deposits and Bonds Holding
Cash and investments - beginning	\$ 129,451	\$ 99,918	\$ 5,884,442	\$ -	\$ 2,830,862	\$ 9,704	\$ 50,000
Receipts:							
Taxes	-	-	-	-	28,705,453	-	-
Licenses and permits	-	-	-	-	700	-	-
Intergovernmental	-	-	-	-	3,654,662	-	-
Charges for services	-	-	-	-	1,699,754	14,825	-
Fines and forfeits	-	-	-	-	525,332	-	-
Other receipts	838,809	222,834	23,603,538	6,150,801	4,282,372	-	-
Total receipts	838,809	222,834	23,603,538	6,150,801	38,868,273	14,825	-
Disbursements:							
Personal services	-	-	-	-	27,848,319	-	-
Supplies	-	-	-	-	1,393,132	5,000	-
Other services and charges	-	-	-	-	5,862,069	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	140,272	-	-
Other disbursements	804,515	267,732	23,698,737	6,150,801	6,198,341	-	-
Total disbursements	804,515	267,732	23,698,737	6,150,801	41,442,133	5,000	-
Excess (deficiency) of receipts over disbursements	34,294	(44,898)	(95,199)	-	(2,573,860)	9,825	-
Cash and investments - ending	\$ 163,745	\$ 55,020	\$ 5,789,243	\$ -	\$ 257,002	\$ 19,529	\$ 50,000

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	CEDIT County Share	CEDIT - Special Legislation	Child Advocacy	City and Town Court Costs	Clerk's Records Perpetuation	Community Corrections	Community Transition Program
Cash and investments - beginning	\$ 9,471,932	\$ 3,003,442	\$ 7,812	\$ 70,514	\$ 54,230	\$ 88,783	\$ 35,820
Receipts:							
Taxes	4,511,391	3,500,000	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	250	-	20,244	95,745	-
Fines and forfeits	-	-	-	55,743	34,720	-	-
Other receipts	500,299	-	-	-	-	-	-
Total receipts	5,011,690	3,500,000	250	55,743	54,964	95,745	-
Disbursements:							
Personal services	1,698,321	-	-	-	32,661	-	-
Supplies	789,468	-	-	-	19,410	98,517	-
Other services and charges	2,879,355	-	-	-	9,889	21,800	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	674,655	-	-	-	-	-	-
Other disbursements	500,000	3,500,000	-	-	-	-	-
Total disbursements	6,541,799	3,500,000	-	-	61,960	120,317	-
Excess (deficiency) of receipts over disbursements	(1,530,109)	-	250	55,743	(6,996)	(24,572)	-
Cash and investments - ending	\$ 7,941,823	\$ 3,003,442	\$ 8,062	\$ 126,257	\$ 47,234	\$ 64,211	\$ 35,820

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Congressional School Interest	Congressional School Principal	Sales Disclosure - County Share	Covered Bridge	Cumulative Bridge	Cumulative Capital Development	Drug Free Community
Cash and investments - beginning	\$ 26,665	\$ 25,066	\$ 46,417	\$ 4,850	\$ 1,730,204	\$ 3,890,468	\$ 30,960
Receipts:							
Taxes	-	-	-	-	394,765	1,493,895	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	36,586	138,261	-
Charges for services	-	-	16,985	-	45,830	-	-
Fines and forfeits	-	-	-	-	-	-	167,536
Other receipts	-	-	-	-	8,161	45,743	-
Total receipts	-	-	16,985	-	485,342	1,677,899	167,536
Disbursements:							
Personal services	-	-	-	-	48,608	-	-
Supplies	-	-	-	-	222,233	-	-
Other services and charges	-	-	-	-	933,255	165,032	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,696,619	-
Other disbursements	-	-	-	-	-	2,989	188,746
Total disbursements	-	-	-	-	1,204,096	2,864,640	188,746
Excess (deficiency) of receipts over disbursements	-	-	16,985	-	(718,754)	(1,186,741)	(21,210)
Cash and investments - ending	\$ 26,665	\$ 25,066	\$ 63,402	\$ 4,850	\$ 1,011,450	\$ 2,703,727	\$ 9,750

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Electronic Map Generation	Emergency Medical Services	Emergency Planning/Right To Know	Enhanced Access	Extradition and Sheriff's Assistance	Firearms Training	Health
Cash and investments - beginning	\$ 7,307	\$ 303,017	\$ 6,232	\$ 81,830	\$ 5,609	\$ 21,746	\$ 1,429,713
Receipts:							
Taxes	-	-	-	-	-	-	948,057
Licenses and permits	-	-	-	-	-	66,840	-
Intergovernmental	-	-	7,435	-	-	-	87,785
Charges for services	-	37,500	-	19,675	-	-	497,724
Fines and forfeits	-	-	-	-	2,415	-	-
Other receipts	307	-	500	-	-	-	19
Total receipts	307	37,500	7,935	19,675	2,415	66,840	1,533,585
Disbursements:							
Personal services	-	-	-	13,876	-	-	1,332,710
Supplies	-	-	-	-	-	60,008	92,900
Other services and charges	-	88,124	2,711	-	-	1,819	74,698
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	2,286	-	15,357	-	-	-
Other disbursements	-	-	-	3,025	-	-	-
Total disbursements	-	90,410	2,711	32,258	-	61,827	1,500,308
Excess (deficiency) of receipts over disbursements	307	(52,910)	5,224	(12,583)	2,415	5,013	33,277
Cash and investments - ending	\$ 7,614	\$ 250,107	\$ 11,456	\$ 69,247	\$ 8,024	\$ 26,759	\$ 1,462,990

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Identification Security Protection	Levy Excess	Local Health Maintenance	Local Road and Street	Major Moves Construction	Medical Care for Inmates	Motor Vehicle Highway
Cash and investments - beginning	\$ 98,316	\$ -	\$ 121,082	\$ 508,999	\$ 11,589,749	\$ 8,578	\$ 1,373,556
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	124,902
Intergovernmental	-	-	72,672	964,900	-	-	3,697,661
Charges for services	17,968	-	-	-	-	15,830	64,909
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	2,150	17	74	51,179	-	29,837
Total receipts	17,968	2,150	72,689	964,974	51,179	15,830	3,917,309
Disbursements:							
Personal services	-	-	46,197	-	-	-	3,233,022
Supplies	-	-	13,331	564,637	1,283,701	-	387,192
Other services and charges	62,938	-	13,480	42,354	-	15,000	693,728
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	75,194
Other disbursements	-	-	-	-	-	-	2,777
Total disbursements	62,938	-	73,008	606,991	1,283,701	15,000	4,391,913
Excess (deficiency) of receipts over disbursements	(44,970)	2,150	(319)	357,983	(1,232,522)	830	(474,604)
Cash and investments - ending	\$ 53,346	\$ 2,150	\$ 120,763	\$ 866,982	\$ 10,357,227	\$ 9,408	\$ 898,952

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Park Nonreverting Capital	Planning and Zoning Impact	Plat Book	Rainy Day	Reassessment - 2009	Reassessment - 2015	Recorder's Records Perpetuation
Cash and investments - beginning	\$ 27,046	\$ 216,932	\$ 33,261	\$ 4,657,501	\$ 25,484	\$ 371,430	\$ 219,411
Receipts:							
Taxes	-	-	-	-	-	331,927	-
Licenses and permits	-	550,572	-	-	-	-	-
Intergovernmental	-	-	-	-	-	30,725	-
Charges for services	-	-	36,520	-	-	-	308,212
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	39	-	-	-	34	-
Total receipts	-	550,611	36,520	-	-	362,686	308,212
Disbursements:							
Personal services	-	510,956	-	1,142,733	-	247,644	182,970
Supplies	-	3,100	713	-	-	7,558	3,517
Other services and charges	-	61,998	1,474	468,037	-	169,340	19,675
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	17,124	1,672	-	123,828	-	-	1,255
Other disbursements	-	1,540	-	-	-	-	-
Total disbursements	17,124	579,266	2,187	1,734,598	-	424,542	207,417
Excess (deficiency) of receipts over disbursements	(17,124)	(28,655)	34,333	(1,734,598)	-	(61,856)	100,795
Cash and investments - ending	\$ 9,922	\$ 188,277	\$ 67,594	\$ 2,922,903	\$ 25,484	\$ 309,574	\$ 320,206

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Riverboat	Sex and Violent Offender Administration	Sheriff's Pension Trust	Additional Excise Tax Judgments	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation
Cash and investments - beginning	\$ 36,270	\$ 20,287	\$ -	\$ 206	\$ 298,574	\$ 1,236,651	\$ 6,379
Receipts:							
Taxes	-	-	-	-	-	803,823	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	405,712	-	-	-	-	-	-
Charges for services	-	6,089	83,136	-	61,357	-	31,675
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	12,259	-
Total receipts	405,712	6,089	83,136	-	61,357	816,082	31,675
Disbursements:							
Personal services	168,225	1,134	83,136	-	-	-	8,921
Supplies	-	630	-	-	25,000	-	3,067
Other services and charges	-	2,000	-	-	49,915	-	6,815
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	11,217
Other disbursements	250,000	-	-	-	-	835,079	-
Total disbursements	418,225	3,764	83,136	-	74,915	835,079	30,020
Excess (deficiency) of receipts over disbursements	(12,513)	2,325	-	-	(13,558)	(18,997)	1,655
Cash and investments - ending	\$ 23,757	\$ 22,612	\$ -	\$ 206	\$ 285,016	\$ 1,217,654	\$ 8,034

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Tax Sale Fees	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Vehicle Inspection	Victim Impact Program	Court Appointed Special Advocate (CASA)
Cash and investments - beginning	\$ 28,395	\$ 31,359	\$ 4,299,698	\$ 96,096	\$ 5,455	\$ 10,500	\$ 2,863
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	31,360	-	-	19,906
Charges for services	-	-	-	-	2,340	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	80,680	1,396,632	6,073,309	-	-	-	-
Total receipts	80,680	1,396,632	6,073,309	31,360	2,340	-	19,906
Disbursements:							
Personal services	-	-	-	28,536	-	-	-
Supplies	-	-	-	5,779	-	-	-
Other services and charges	26,267	-	-	3,237	2,800	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	14,269	-	-	-
Other disbursements	140	1,086,345	4,055,966	-	-	-	19,906
Total disbursements	26,407	1,086,345	4,055,966	51,821	2,800	-	19,906
Excess (deficiency) of receipts over disbursements	54,273	310,287	2,017,343	(20,461)	(460)	-	-
Cash and investments - ending	\$ 82,668	\$ 341,646	\$ 6,317,041	\$ 75,635	\$ 4,995	\$ 10,500	\$ 2,863

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Auditors Ineligible Deductions	County Elected Officials Training	County Offender Transportation Fund	Hazardous Waste Disposal Tax	Statewide E-911	Block Grant	Juvenile Probation Administrative
Cash and investments - beginning	\$ 806,838	\$ 23,284	\$ 4,500	\$ 80,974	\$ 225,366	\$ 300	\$ 49,266
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	294,884	16,629	1,812	-	1,878,020	-	-
Fines and forfeits	-	-	-	-	-	-	74,608
Other receipts	-	-	-	7,200	37	-	-
Total receipts	294,884	16,629	1,812	7,200	1,878,057	-	74,608
Disbursements:							
Personal services	31,517	-	-	-	1,580,568	-	78,573
Supplies	7,035	-	-	7,028	-	-	-
Other services and charges	597,932	-	-	11,159	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	10,546	-	-	-	-	-	-
Other disbursements	19,921	-	-	-	-	300	-
Total disbursements	666,951	-	-	18,187	1,580,568	300	78,573
Excess (deficiency) of receipts over disbursements	(372,067)	16,629	1,812	(10,987)	297,489	(300)	(3,965)
Cash and investments - ending	\$ 434,771	\$ 39,913	\$ 6,312	\$ 69,987	\$ 522,855	\$ -	\$ 45,301

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Supplemental Adult Probation Services	Supplemental Juvenile Probation Services	Alternative Dispute Resolution	County User Fee	Drain Construction/ Reconstruction	Drainage Maintenance	Lake Eliza Grant
Cash and investments - beginning	\$ 613,126	\$ 138,403	\$ 53,558	\$ 1,422,066	\$ 104,928	\$ 2,065,270	\$ 47,890
Receipts:							
Taxes	-	-	-	-	-	422,843	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	19,838	-
Charges for services	646,302	-	67,718	552,299	-	24,900	408,476
Fines and forfeits	76,198	221,794	-	374,063	-	-	-
Other receipts	10	24	-	149	104,114	245	365
Total receipts	722,510	221,818	67,718	926,511	104,114	467,826	408,841
Disbursements:							
Personal services	794,845	10,222	77,403	367,077	-	50	277,140
Supplies	53,557	2,344	-	29,027	144,015	-	46,947
Other services and charges	24,717	195,685	-	206,846	-	-	111,644
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	137	-	-	2,781	-	370,546	994
Other disbursements	-	-	-	281,785	-	104,103	900
Total disbursements	873,256	208,251	77,403	887,516	144,015	474,699	437,625
Excess (deficiency) of receipts over disbursements	(150,746)	13,567	(9,685)	38,995	(39,901)	(6,873)	(28,784)
Cash and investments - ending	\$ 462,380	\$ 151,970	\$ 43,873	\$ 1,461,061	\$ 65,027	\$ 2,058,397	\$ 19,106

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Animal Shelter	Drug Task Force	Parking Facility Operating	Donations	Debt Service	Self-Insurance	Payroll Clearing
Cash and investments - beginning	\$ 49,887	\$ 47,938	\$ 9,044	\$ 150,436	\$ 418,366	\$ 16,518	\$ 2,673
Receipts:							
Taxes	-	-	-	-	4,747,396	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	438,924	-	-
Charges for services	51,716	-	5,652	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	327	60,000	-	53,382	-	13,733,321	-
Total receipts	52,043	60,000	5,652	53,382	5,186,320	13,733,321	-
Disbursements:							
Personal services	624	65,148	-	-	-	35,374	-
Supplies	9,505	-	-	3,126	-	-	-
Other services and charges	52,871	10,618	-	25,162	-	12,111,177	-
Debt service - principal and interest	-	-	-	-	4,532,918	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	125	6,576	-	-	-
Total disbursements	63,000	75,766	125	34,864	4,532,918	12,146,551	-
Excess (deficiency) of receipts over disbursements	(10,957)	(15,766)	5,527	18,518	653,402	1,586,770	-
Cash and investments - ending	\$ 38,930	\$ 32,172	\$ 14,571	\$ 168,954	\$ 1,071,768	\$ 1,603,288	\$ 2,673

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Payroll Withholding - Donations	Payroll Withholding - Insurance	Payroll Withholding - Other	Payroll Withholding - Savings	Payroll Withholding - Deferred Compensation	Payroll Withholding - Federal	Payroll Withholding - FICA & Medicare
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,098	794,892	28,366	8,450	243,103	2,631,899	1,916,338
Total receipts	4,098	794,892	28,366	8,450	243,103	2,631,899	1,916,338
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	4,098	795,432	28,366	8,450	243,103	2,631,899	1,916,338
Total disbursements	4,098	795,432	28,366	8,450	243,103	2,631,899	1,916,338
Excess (deficiency) of receipts over disbursements	-	(540)	-	-	-	-	-
Cash and investments - ending	\$ -	\$ (540)	\$ -	\$ -	\$ -	\$ -	\$ -

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Payroll Withholding - Flex Spending	Payroll Withholding - Local Tax	Payroll Withholding - PERF	Payroll Withholding - State	Payroll Withholding - Wage Garnishments	Settlement	CVET Agency
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,697,270	\$ -
Receipts:							
Taxes	-	-	-	-	-	200,968,059	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	22,007,405	1,264,779
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	78,425	136,471	764,286	840,905	140,428	7,654	-
Total receipts	78,425	136,471	764,286	840,905	140,428	222,983,118	1,264,779
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	78,425	136,471	765,665	840,905	140,428	224,680,388	1,264,779
Total disbursements	78,425	136,471	765,665	840,905	140,428	224,680,388	1,264,779
Excess (deficiency) of receipts over disbursements	-	-	(1,379)	-	-	(1,697,270)	-
Cash and investments - ending	\$ -	\$ -	\$ (1,379)	\$ -	\$ -	\$ -	\$ -

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Final Excise Tax Cut Replacement Due State	Financial Institution Tax	CEDIT Homestead Credit	HEA 1001 State Homestead Credit	Homestead Credit Rebate	State Fines and Forfeitures	Infraction Judgements
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 47,618	\$ -	\$ 2,699	\$ 47,889
Receipts:							
Taxes	3,598,253	-	7,344,861	1,177	43,553	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	327,333	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	50,344	594,565
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>3,598,253</u>	<u>327,333</u>	<u>7,344,861</u>	<u>1,177</u>	<u>43,553</u>	<u>50,344</u>	<u>594,565</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	327,333	7,488,336	-	40,346	48,989	331,026
Total disbursements	<u>-</u>	<u>327,333</u>	<u>7,488,336</u>	<u>-</u>	<u>40,346</u>	<u>48,989</u>	<u>331,026</u>
Excess (deficiency) of receipts over disbursements	<u>3,598,253</u>	<u>-</u>	<u>(143,475)</u>	<u>1,177</u>	<u>3,207</u>	<u>1,355</u>	<u>263,539</u>
Cash and investments - ending	<u>\$ 3,598,253</u>	<u>\$ -</u>	<u>\$ (143,475)</u>	<u>\$ 48,795</u>	<u>\$ 3,207</u>	<u>\$ 4,054</u>	<u>\$ 311,428</u>

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Overweight Vehicle Fines	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	DLGF Homestead Property Database
Cash and investments - beginning	\$ 9,144	\$ 745	\$ 1,500	\$ -	\$ 188	\$ 1,870	\$ 21
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	16,985	24,269	1,562	22,116	487
Fines and forfeits	227,149	12,883	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	227,149	12,883	16,985	24,269	1,562	22,116	487
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	97,450	6,799	7,450	11,538	750	12,113	18
Total disbursements	97,450	6,799	7,450	11,538	750	12,113	18
Excess (deficiency) of receipts over disbursements	129,699	6,084	9,535	12,731	812	10,003	469
Cash and investments - ending	\$ 138,843	\$ 6,829	\$ 11,035	\$ 12,731	\$ 1,000	\$ 11,873	\$ 490

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Sex and Violent Offender Admin - State	Child Restraint Violations Fines	Inheritance Tax	Sales Tax Collections	Education Plate Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Collections
Cash and investments - beginning	\$ 28	\$ 350	\$ 1,354,079	\$ 2,108	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	21,791	-	-	1,219,546
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	1,781,029	-	4,481	973,555	-
Charges for services	676	-	-	-	-	-	-
Fines and forfeits	-	2,357	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	676	2,357	1,781,029	21,791	4,481	973,555	1,219,546
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	549	1,325	3,068,424	20,749	4,481	973,555	1,219,546
Total disbursements	549	1,325	3,068,424	20,749	4,481	973,555	1,219,546
Excess (deficiency) of receipts over disbursements	127	1,032	(1,287,395)	1,042	-	-	-
Cash and investments - ending	\$ 155	\$ 1,382	\$ 66,684	\$ 3,150	\$ -	\$ -	\$ -

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Judgments Due Law Enforcement	CEDIT Distribution	93.563 ARRA Prosecutor IV-D Incentive	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive-Prior To Oct '99	93.563 Prosecutor IV-D Incentive-Post Oct '99
Cash and investments - beginning	\$ 260	\$ -	\$ 19,541	\$ 2,036	\$ 104,144	\$ 53	\$ 185,629
Receipts:							
Taxes	-	21,651,276	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	58,529	-	88,064
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	21,651,276	-	-	58,529	-	88,064
Disbursements:							
Personal services	-	-	-	-	-	-	56,668
Supplies	-	-	-	731	1,560	-	1,447
Other services and charges	-	-	-	-	67,675	-	3,400
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	18,673	-	2,870
Other disbursements	-	21,651,276	-	-	-	-	-
Total disbursements	-	21,651,276	-	731	87,908	-	64,385
Excess (deficiency) of receipts over disbursements	-	-	-	(731)	(29,379)	-	23,679
Cash and investments - ending	\$ 260	\$ -	\$ 19,541	\$ 1,305	\$ 74,765	\$ 53	\$ 209,308

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	93.563 Clerk IV-D Incentive-Prior To Oct '99	93.563 Clerk IV-D Incentive-Post Oct '99	National Park Taxes	JDAI Grant	Domestic Violence Grant	Stop Grant Prosecutor	Indiana Court Improvement Project
Cash and investments - beginning	\$ 109	\$ 226,010	\$ 19,646	\$ (24,927)	\$ (22,506)	\$ (5,429)	\$ 5,460
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	58,529	19,186	20,996	76,305	19,714	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	58,529	19,186	20,996	76,305	19,714	-
Disbursements:							
Personal services	-	39,168	-	-	81,498	28,932	-
Supplies	-	3,863	-	-	-	-	-
Other services and charges	-	4,394	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	47,425	-	-	81,498	28,932	-
Excess (deficiency) of receipts over disbursements	-	11,104	19,186	20,996	(5,193)	(9,218)	-
Cash and investments - ending	\$ 109	\$ 237,114	\$ 38,832	\$ (3,931)	\$ (27,699)	\$ (14,647)	\$ 5,460

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	SCAAP Grant	Sheriff DEA Proceeds Federal Grant	Bioterrorism Response Grant	SHSP Homeland Security Grant	CFDA# 14.253	Dunes/Kankakee Grant	Fam & Child Grant
Cash and investments - beginning	\$ 1,760	\$ 66,426	\$ 3,151	\$ -	\$ (2,315)	\$ 123,257	\$ 15,352
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	338	-	81,688	457,499	-	-	9,265
Charges for services	-	4,662	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	338	4,662	81,688	457,499	-	-	9,265
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	4,351	-	317,931	-	-	-
Other services and charges	-	-	83,883	102,776	-	34,898	9,721
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	4,000	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	8,351	83,883	420,707	-	34,898	9,721
Excess (deficiency) of receipts over disbursements	338	(3,689)	(2,195)	36,792	-	(34,898)	(456)
Cash and investments - ending	\$ 2,098	\$ 62,737	\$ 956	\$ 36,792	\$ (2,315)	\$ 88,359	\$ 14,896

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Sunset Grant	Park Grant	PACT	Doc Juv Basic T	Court Int Grant	Drug Ct - Testing	Fam Ct Donations
Cash and investments - beginning	\$ -	\$ 9,236	\$ 34,764	\$ -	\$ 4,048	\$ 7,516	\$ 21,957
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	354,605	224,132	120	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	13,448	-	-	-	-
Other receipts	135	1	-	-	-	4,000	20,000
Total receipts	135	1	368,053	224,132	120	4,000	20,000
Disbursements:							
Personal services	-	-	-	-	-	-	6,035
Supplies	-	-	-	-	-	43	-
Other services and charges	-	870	-	-	2,806	-	14,187
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	135	-	354,605	224,132	-	-	-
Total disbursements	135	870	354,605	224,132	2,806	43	20,222
Excess (deficiency) of receipts over disbursements	-	(869)	13,448	-	(2,686)	3,957	(222)
Cash and investments - ending	\$ -	\$ 8,367	\$ 48,212	\$ -	\$ 1,362	\$ 11,473	\$ 21,735

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	OWI Fatal/Drugs	Cal Trail Grant	Health Dist 1	Val Rtry Lcl Gt	Nat'l Parks-Ngo	Hospital Liability	Hospital Interest
Cash and investments - beginning	\$ 911	\$ 178,081	\$ 1	\$ -	\$ -	\$ 834,663	\$ 11,175,850
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	16,077	50,000	100,000	4,125	-	-	-
Charges for services	-	-	-	-	-	80,107	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	15,000	-	1,539,001
Total receipts	16,077	50,000	100,000	4,125	15,000	80,107	1,539,001
Disbursements:							
Personal services	-	-	-	-	-	-	1,500,000
Supplies	-	-	-	-	5,453	-	-
Other services and charges	600	189,817	100,000	-	4,500	149,655	197,104
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	4,061	-	-	1,577,440
Other disbursements	-	-	-	-	-	-	270,000
Total disbursements	600	189,817	100,000	4,061	9,953	149,655	3,544,544
Excess (deficiency) of receipts over disbursements	15,477	(139,817)	-	64	5,047	(69,548)	(2,005,543)
Cash and investments - ending	\$ 16,388	\$ 38,264	\$ 1	\$ 64	\$ 5,047	\$ 765,115	\$ 9,170,307

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Hospital Sale	Cable Franchise	Public Safety	Photo Duplicate	Inmate Processing	Memorial Opera House Man	JDC Service
Cash and investments - beginning	\$ 159,382,236	\$ 865,551	\$ 109,447	\$ 11,063	\$ 12,204	\$ 33,792	\$ 133,065
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	587,312	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	229,839	2,783	61,441	281,901	-
Fines and forfeits	-	-	-	-	-	-	63,840
Other receipts	-	-	-	-	-	11,450	-
Total receipts	-	587,312	229,839	2,783	61,441	293,351	63,840
Disbursements:							
Personal services	-	-	-	-	-	178,008	144,467
Supplies	-	910	11,632	5,955	-	13,056	-
Other services and charges	-	475,498	158,112	-	68,000	120,883	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	68,329	-	-	-	-
Other disbursements	792,917	-	-	-	-	41,045	-
Total disbursements	792,917	476,408	238,073	5,955	68,000	352,992	144,467
Excess (deficiency) of receipts over disbursements	(792,917)	110,904	(8,234)	(3,172)	(6,559)	(59,641)	(80,627)
Cash and investments - ending	\$ 158,589,319	\$ 976,455	\$ 101,213	\$ 7,891	\$ 5,645	\$ (25,849)	\$ 52,438

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	TS Wire Surplus	Refunds	Sunset Hill	Dunn's Bridge	Sheriff Civil Bureau Inmate Processing Fee	Sheriff Awards Banquet	Treasurer Supplemental CAR
Cash and investments - beginning	\$ -	\$ 13,497	\$ 4,787	\$ 1,498	\$ -	\$ 2,725	\$ 3,194,392
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	105,000	49,730	-	-	11,586	5,700	3,876,075
Total receipts	105,000	49,730	-	-	11,586	5,700	3,876,075
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	2,298	1,487	-	-	-
Other disbursements	105,000	49,730	-	-	5,500	5,170	3,194,392
Total disbursements	105,000	49,730	2,298	1,487	5,500	5,170	3,194,392
Excess (deficiency) of receipts over disbursements	-	-	(2,298)	(1,487)	6,086	530	681,683
Cash and investments - ending	\$ -	\$ 13,497	\$ 2,489	\$ 11	\$ 6,086	\$ 3,255	\$ 3,876,075

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	PC Tourism Supplemental CAR	Park Operating	Vending Machine Fund	Video Tape Fees-Sheriff	South County Highway Garage	Coroner - Non-Reverting	Kankakee River
Cash and investments - beginning	\$ 631,701	\$ 80,046	\$ 2,482	\$ 2,555	\$ 3,276	\$ 1,200	\$ 5,069
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,351,520	129,107	-	-	-	-	-
Total receipts	1,351,520	129,107	-	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,260,778	144,975	-	-	-	-	-
Total disbursements	1,260,778	144,975	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	90,742	(15,868)	-	-	-	-	-
Cash and investments - ending	\$ 722,443	\$ 64,178	\$ 2,482	\$ 2,555	\$ 3,276	\$ 1,200	\$ 5,069

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Prosecutor Check Deferral Fund	Settlement Holding Fund	All Funds Account	Suicide Grant	Medical Reserve Core Grant	Community Emergency Response	Coastal Grant
Cash and investments - beginning	\$ 15,336	\$ 13,074	\$ 43,637	\$ 354	\$ 126,365	\$ 555	\$ 3,675
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ 15,336	\$ 13,074	\$ 43,637	\$ 354	\$ 126,365	\$ 555	\$ 3,675

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Adult Home Detention	Family Court Grant	Early Intervention	Health Performance Grant	Juvenile Detention Mental Health	Citizens Corp	Project Care
Cash and investments - beginning	\$ 55,867	\$ 1,482	\$ 1,114	\$ 5,189	\$ 7	\$ 2,000	\$ 2,636
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ 55,867	\$ 1,482	\$ 1,114	\$ 5,189	\$ 7	\$ 2,000	\$ 2,636

PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	Qwest Prof.	LCJI Grant	Arcelor Mittal Grant	Crumb Rub Grant	All Grant Funds	Coastal Zone Management Grant	Totals
Cash and investments - beginning	\$ 24	\$ 94	\$ -	\$ 146	\$ -	\$ -	\$ 241,914,037
Receipts:							
Taxes	-	-	-	-	-	-	280,708,066
Licenses and permits	-	-	-	-	-	-	1,330,326
Intergovernmental	-	-	-	-	-	-	37,604,181
Charges for services	-	-	-	-	-	-	7,751,804
Fines and forfeits	-	-	-	-	-	-	2,496,995
Other receipts	-	-	-	-	7,424	100,300	72,080,111
Total receipts	-	-	-	-	7,424	100,300	401,971,483
Disbursements:							
Personal services	-	-	-	-	-	-	41,981,286
Supplies	-	-	-	-	-	-	5,648,409
Other services and charges	-	-	-	-	-	-	26,814,400
Debt service - principal and interest	-	-	-	-	-	-	4,532,918
Capital outlay	-	-	-	-	-	-	5,837,910
Other disbursements	-	-	4,673	-	7,424	-	323,287,625
Total disbursements	-	-	4,673	-	7,424	-	408,102,548
Excess (deficiency) of receipts over disbursements	-	-	(4,673)	-	-	100,300	(6,131,065)
Cash and investments - ending	\$ 24	\$ 94	\$ (4,673)	\$ 146	\$ -	\$ 100,300	\$ 235,782,972

PORTER COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 452,990</u>	<u>\$ -</u>

PORTER COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2013

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities: Bank of NY	Porter County Jail Building	<u>\$ 2,946,000</u>	7/3/2001	1/3/2024

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities: General obligation bonds	Juvenile Detention Center	<u>\$ 565,000</u>	<u>\$ 576,300</u>

PORTER COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 4,183,067
Infrastructure	120,282,105
Buildings	70,858,650
Machinery, equipment, and vehicles	14,895,606
Construction in progress	<u>1,146,183</u>
Total capital assets	<u>\$ 211,365,611</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF PORTER COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Porter County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on State Homeland Security Program (SHSP)

As described in item 2013-007 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Equipment and Real Property Management that are applicable to its State Homeland Security Program (SHSP). Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to that program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Qualified Opinion on State Homeland Security Program (SHSP)

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on State Homeland Security Program (SHSP)* paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the State Homeland Security Program (SHSP) for the year ended December 31, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2013.

Other Matters

The County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

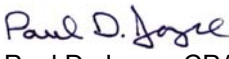
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-006 and 2013-007 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

November 6, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the County. The schedule and note are presented as intended by the County.

PORTER COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Child Nutrition Cluster	Indiana Department of Education			
School Breakfast Program		10.553	FY 2013	\$ 8,341
National School Lunch Program		10.555	FY 2013	13,121
Total - Child Nutrition Cluster				21,462
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2013	2,236
Total - Department of Agriculture				23,698
<u>Department of Commerce</u>				
Coastal Zone Management Administration Awards	Indiana Department of Natural Resources	11.419		
Study of Lake Michigan Watershed			CZ014	71,670
<u>Department of the Interior</u>				
Payments in Lieu of Taxes	Direct grant	15.226	FY 2013	19,186
<u>Department of Justice</u>				
Victims of Child Abuse	Indiana Supreme Court	16.547	CASA	19,906
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575	11VAPR162	76,305
ARRA - Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588	12STPR020	19,714
State Criminal Alien Assistance Program	Direct Grant	16.606	2012-AP-BX-0142	338
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute			
Juvenile Detention Alternative Initiative Grant		16.738	11-DJ-039	20,996
Equitable Sharing Program	Direct Grant	16.922		
Federal Forfeitures - County Sheriff			FY 2013	4,662
Seized Property - Prosecutor			FY 2013	60,000
Total Equitable Sharing Program				64,662
Total - Department of Justice				201,921
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 1005141 DES 1005672	22,417 23,413
Total - Department of Transportation				45,830
<u>Department of Health and Human Services</u>				
Centers for Disease Control and Prevention - Investigations and Technical Assistance				
Bioterrorism Preparedness & Response Grant	Indiana Department of Health	93.283	163-3 163-71	38,280 43,408
Total - Centers for Disease Control and Prevention - Investigations and Technical Assistance				81,688
Child Support Enforcement	Indiana Department of Child Services	93.563		
Clerk IV-D			FY 2013	58,529
General IV-D Incentive			FY 2013	58,529
IV-D Program			FY 2013	705,065
Prosecutor IV-D			FY 2013	88,064
Total - Child Support Enforcement				910,187
Total - Department of Health and Human Services				991,875
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	313-REQA-1315	43,688
Emergency Management Performance Grants	Indiana Department of Homeland Security			
Emergency Management Reimbursement for Salary		97.042	2012-EP-00-0002	100,522
State Homeland Security Program (SHSP)	Indiana Department of Homeland Security			
SHSP Sub Grant		97.073	2010-SS-T0-0038	355,849
Total - Department of Homeland Security				500,059
Total federal awards expended				\$ 1,854,239

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

PORTER COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Qualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified for Child Support Enforcement Qualified for State Homeland Security Program (SHSP)
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
97.073	State Homeland Security Program (SHSP)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS AND COMPLIANCE OVER FINANCIAL TRANSACTIONS AND REPORTING

The County did not have a proper system of internal controls in place to prevent, or detect and correct, errors in the preparation of the financial statement. The County should have proper controls in place over the preparation of the financial statement to ensure accurate and reliable reporting of the County's financial activity. Adequate internal control requires that employees understand the importance of accurate financial reporting and that they have the requisite knowledge and skills to prepare accurate financial reports. In

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

addition, proper internal control requires sufficient oversight, review, and approval to ensure complete and accurate financial reporting. Due to the lack of internal controls, material misstatements in the financial statement were undetected. We believe these deficiencies in the internal control system constitute material weaknesses.

The County Auditor is required to report all financial information in the Annual Financial Report (AFR). This information is used to compile the financial statement. The financial statement presented for audit included the following errors:

1. The beginning cash and investment balances were not accurately reported for 12 funds. These errors resulted in the beginning balances of these 12 funds to be overstated by a total of \$2,594,521. The prior-year audited financial statement ending cash and investment balances were not compared to the current-year beginning balances before the AFR was submitted.
2. The Sheriff's Inmate Trust receipts, disbursements and cash and investment balances were reported twice. These errors resulted in overstatements of the financial statement as follows: beginning cash and investment balance by \$148,305, receipts by \$846,522, disbursements by \$806,238, and ending cash and investment balance by \$188,589.
3. Cash and investment balances, receipts, and disbursements of the County Recorder were reported on the financial statement as separate funds twice and also included in the respective funds on the financial statement as the money was received by the department. These errors resulted in overstatements of the financial statement as follows: beginning cash and investment balance by \$69,806, receipts by \$1,730,740, disbursements by \$1,771,878, and ending cash and investment balance by \$28,668.
4. A Lake Eliza Drainage Grant was listed on the financial statement with \$100,000 in receipts and an ending cash and investment balance of \$100,000; however, the County Auditor was unable to provide a bank statement or bank account to support this balance.
5. The Settlement fund balance reported cash collected by the County Treasurer after fall settlement of \$3,875,985; this amount should not have been recorded in the Settlement fund. This amount was also included in the Treasurer Supplemental report balance which is added to the County's AFR. This resulted in an overstatement of the cash and investment balance of \$3,875,985.
6. The Settlement fund receipts, disbursements and balances reported on the financial statement did not agree with the financial records. The financial statement reported Settlement fund receipts of \$207,645,058; however, the ledger reported net receipts of \$222,983,118. The financial statement reported Settlement fund disbursements of \$220,804,403; however, the ledger reported net disbursements of \$224,680,388. The financial statement reported a negative cash and investment balance of \$11,462,075 in the Settlement fund which should have reported a zero balance.
7. The financial statement presented for audit reported a total ending cash and investment balance of \$227,336,080; however, the audited financial statement ending cash and investment balance is \$235,753,403; a difference of \$8,417,323.

Audit adjustments were proposed, accepted by the County, and made to the financial statement presented in this report.

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Additionally, management of the County has not established an effective internal control system, which would include segregation of duties over the payroll process. One individual records, posts, reconciles, and issues payroll checks with a lack of oversight.

Internal controls over the supporting documentation and approvals for payroll disbursements were insufficient. The County is not following their own payroll policy to ensure all employees are being paid for the correct number of hours for each pay period. Each department of the County is responsible for entering certain information, such as dates and hours worked, and/or type of leave taken for each payroll period into the payroll computer software program. When the information is electronically received by the County Auditor, payroll amounts are computed, and Payroll Earnings Forecasts can be generated for each department. The Payroll Earnings Forecasts list each employee, and the amount of pay they are to receive, as well as the total payroll for that department. When properly approved, these forecasts are the certified time sheets to support each payroll.

Currently, not all department heads are returning the certified time sheets (Payroll Earnings Forecasts) to the payroll department prior to payroll being paid. The County Policy states:

"Each department head is responsible for reviewing the payroll earnings forecast, as they are required to sign and date the payroll earnings forecast. Each department head or their designee signs stating the following, in part, ". . . hereby certify that I have examined the time record of each employee listed . . . that each employee has performed the services for which the salary or compensation is paid; . . . that the compensation listed opposite the name of each employee upon either statutory or regulatory authority and is justly due each such employee; . . . that this payroll totaling \$XX is correct and has by me been approved."

Controls have not been effective in ensuring that all departments return the signed Payroll Earnings Forecasts, that all employees paid are included on the forecasts, and that amounts posted to the County's ledger agree to amounts authorized per the forecasts.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-002 - INTERNAL CONTROLS OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The County did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

The County Auditor is responsible for preparing the SEFA, based upon financial records and grant information, (i.e. grant award letters, applications and other documents). The SEFA was prepared based on the financial records alone, without reviewing grant information. This resulted in several immaterial errors on the original SEFA. In addition, the SEFA presented for audit was prepared without oversight, review, or approval.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

FINDING 2013-003 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - COUNTY SHERIFF

We noted several deficiencies in the internal control system of the County Sheriff's Department related to financial transactions and reporting which we believe constitute material weaknesses. Control activities should be selected and developed at various levels of the County Sheriff's Department to reduce risks to the achievement of financial reporting objectives. There is a lack of segregation of duties and a lack of oversight in some areas. The Inmate Trust and Commissary areas have not separated incompatible activities related to receipts, disbursements, and cash and investment balances. One employee is responsible for all aspects of accounting for and reconciling these accounts. The Civil Division has separated these duties among various employees; however, there is no formal system of oversight or review. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-004 - INTERNAL CONTROLS AND COMPLIANCE OVER FINANCIAL TRANSACTIONS AND REPORTING - CLERK OF THE CIRCUIT COURT

The Clerk of the Circuit Court did not have a proper system of internal controls in place over financial transactions, reconciling, and reporting. The Clerk of the Circuit Court should have proper controls in place to ensure that the Cash Book balance is accurate at the end of each month, that the Cash Book balance reconciles with the detailed subaccount balances, that all open items held in the Trust Register and cash Bond Register are properly identified and that the receipts, disbursements, and cash and investment balances reported on the County's financial statement are correct. The lack of proper internal controls has allowed the following to occur:

1. We were unable to audit the trust balance of the Office of the Clerk of the Circuit Court at December 31, 2013, because detailed information from the Clerk of the Circuit Court's Trust Register was not available. The amount we were unable to audit was \$2,928,021 of the total cash and investment balance of \$5,789,243 in the Clerk of the Circuit Court's Trust fund at December 31, 2013. A Trust Register report of balances held in trust has not been generated since December 31, 2011. A comparison of the Trust Register balance to the Cash Book balance as of December 31, 2011, indicated the balance held in trust per the Trust Register exceeded the Cash Book Balance of amounts held in trust by \$1,511,130.74. The most current reconciliation of the Trust Register balance to the Cash Book balance was June 30, 2007.
2. The Clerk of the Circuit Court is required to maintain the "Clerk's Cash Book and Daily Balance Record, Form No. 46" (Cash Book). The Cash Book was not properly maintained in 2013 and contained obvious errors. The investment balance on the December 31, 2013 Cash Book of \$905,426.28 did not agree with actual court ordered investments on hand of \$977,339.87. In addition, the Child Support Account, the Indiana Support Enforcement Tracking System (ISETS) balance of \$55,480 listed on the Cash Book did not agree with the reconciled ISETS balance of \$43,492 at December 31, 2013.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

***FINDING 2013-005 - INTERNAL CONTROLS AND COMPLIANCE OVER
RECONCILEMENTS AND REPORTING - COUNTY TREASURER***

The County Treasurer did not have a proper system of internal controls in place over financial reconciling and reporting. The County Treasurer has not established effective controls to accurately reconcile the Cash Book with investment account depository statements. In addition, there was no oversight, review, or approval process over the reconcilements. The County Treasurer should have proper controls in place for the reconciliation of investment balances to ensure accurate financial reporting. Without a proper system of internal control in place that operates effectively, material misstatements of the financial statement could remain undetected.

The investment account statements provided by the depositories were not used to reconcile the investment balance in the County Treasurer's Cash Book in 2013. This allowed errors to go undetected. As a result, investment balances were overstated by \$296,479 as of December 31, 2013. In addition, interest on some investments was automatically added to mutual fund balances and not recorded in the records which resulted in \$4,099 in interest that was not recorded or reported. The failure to establish adequate internal controls over the reconciliation process enabled these errors to remain undetected.

Audit adjustments were proposed, accepted by the County, and made to the financial statement presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-006 - INTERNAL CONTROLS OVER CHILD SUPPORT ENFORCEMENT

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or Other Identifying Number): FY 2013

Pass-Through Entity: Indiana Department of Child Services

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Allowable Costs and Reporting compliance requirements that have a direct and material effect on the program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

Activities Costs - County

The County contracts with a consultant to prepare a cost allocation plan. Based on the cost allocation plan, the County is reimbursed for certain indirect costs. The cost allocation plan is based upon amounts reported by the County in a prior year's financial statement. The County has not established verifiable controls or procedures for ensuring that the cost allocation plan is accurate, by at a minimum, ensuring that the amounts included in the cost allocation plan were the correct amounts from the prior's year's financial statement. Controls were not established to monitor the consultant's report.

Allowable Costs and Reporting - Prosecutor

The Prosecutor is required to prepare "Monthly Expense Claims" for Title IV-D. These monthly expense claims report direct expenses of the Title IV-D program, which are subsequently reimbursed at the federal matching rate of 66 percent.

The December 2013 monthly expense claim reported expenditures for personal services which included health insurance of \$173,800 (\$15,800 for 11 employees). Officials indicated that this amount was for health insurance; however, no supporting documentation was attached to the claim or kept on file. We were able to verify that the amount was correct and allowable with the approved budget and the County Auditor's ledger. Controls were not established to ensure that supporting documentation was on file to support the health insurance amount claimed.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the County.

We recommended that County officials establish controls to effectively monitor the activities related to the grant agreement and all compliance requirements that have a direct and material effect on the program.

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2013-007 - EQUIPMENT MANAGEMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: Department of Homeland Security
Federal Program: State Homeland Security Program (SHSP)
CFDA Number: 97.073
Federal Award Numbers: 2010-SS-TO-0038
Pass-Through Entity: Indiana Department of Homeland Security

The State Homeland Security Program (SHSP) provides federal funds to assist with building facilities to prevent, deter, respond to, and recover from incidents of terrorism at the state and local levels through planning, equipment, training, and exercise activities.

The County purchased equipment to fulfill the needs of the County and four other surrounding Counties as authorized in various grant agreements. However, controls were not established to ensure that Porter County maintained capital asset records in accordance with federal guidelines for equipment management.

The County purchased equipment totaling \$289,184 from the SHSP grant funds in 2013. The County maintained a detailed listing of capital assets; however, this listing did not include these new purchases of equipment.

The County's Emergency Management Department (Department) also is to account for the equipment purchased with the SHSP grant funds. The pass-through entity, Indiana Department of Homeland Security, requires that the equipment purchased from the SHSP grant be detailed in their iGMS system (Indiana Grants Management System). The Department did not maintain the detailed listing of capital assets purchased with SHSP funds on the iGMS system.

The Department also did not establish procedures for ensuring that a physical inventory is taken at least every two years, or for monitoring changes to the equipment condition or location. The County and its Department did not develop a system for ensuring the County maintained adequate equipment records.

The County did not comply with federal compliance requirements applicable to equipment and real property management. This noncompliance is considered to be material noncompliance. Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on the program could result in the loss of federal funds to the County.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

44 CFR 13.32 states in part:

"(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

PORTER COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements that have a direct and material effect on the program could result in the loss of federal funds to the County.

We recommended that the County's management establish controls related to the grant agreement and all compliance requirements that have a direct and material effect on the program. In addition, we recommend that the County comply with Equipment and Real Property Management requirements of the grant program.

AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



Robert J. Wichlinski
Auditor

(219) 465-3445

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

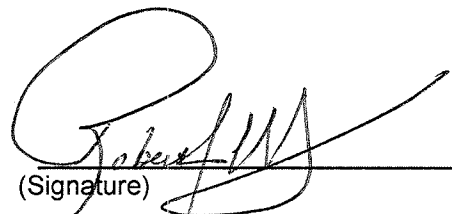
FINDING 2012-4

Contact Person Responsible for Corrective Action: Robert Wichlinski
Contact Phone Number: 219-465-3350

Status of Audit Finding:

The Auditor-Elect will have to assign someone in the Auditor's Office the responsibility of reviewing the purchasing of supplies, furniture, and equipment within the Prosecutor's & Clerk's Offices and matching that against a list that needs to be created, that entails all the people/vendors that have been barred or suspended in doing business with the federal government.

As per the Cost Allocation Plan, the Auditor will need to review and sign-off on the findings of that report before any money can be reimbursed for indirect costs.

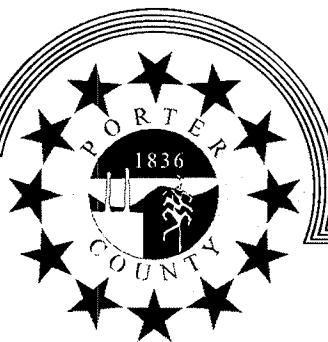

(Signature)

AUDITOR
(Title)

11/20/14
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .300(b).)

COUNTY - PORTER



Porter County Auditor
Administration Center
155 Indiana Avenue • Suite 204
Valparaiso, Indiana 46383

Robert J. Wichlinski
Auditor

(219) 465-3445

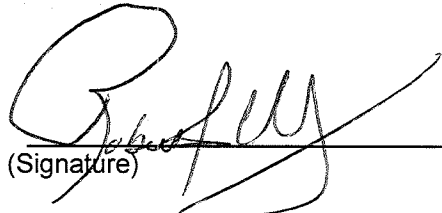
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-5

Contact Person Responsible for Corrective Action: Robert Wichlinski
Contact Phone Number: 219-465-3350

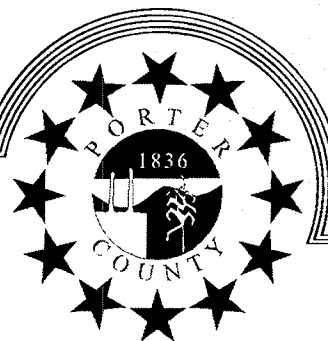
Status of Audit Finding:

Documentation will need to accompany any and all intra-fund transactions.


(Signature)
AUDITOR
(Title)
11/20/14
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), 2 CFR, Appendix B, part 225(b).)

COUNTY - PORTER



Porter County Auditor
Administration Center
155 Indiana Avenue • Suite 204
Valparaiso, Indiana 46383

Robert J. Wichlinski
Auditor

(219) 465-3445

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-6

Original Assigned SBA Audit Report Number: B42931

Report Period: January 1, 2012 to December 31, 2012

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Child Services

Contact Person Responsible for Corrective Action: Robert Wichlinski

Contact Phone Number: 219-465-3350

Status of Audit Finding:

As for the Auditor's Office in this instance, the only controls that our office can take is making the staff in the IV-D office aware that they need to make sure that they competitively bid out any purchases of \$25,000 or more.

Due to the process that is in place throughout the County, there is no other way for the Auditor's Office to monitor this finding. All departments are given permission to buy supplies, or other expenditures for their office first, and then they turn in the invoice to our office to pay whichever vendor they choose to do business with. So as the Auditor's Office, we are obligated to pay the bill that each department has created, without them ever contacting us first.

A handwritten signature in black ink, appearing to read "Robert J. Wichlinski", written over a horizontal line.

(Signature)

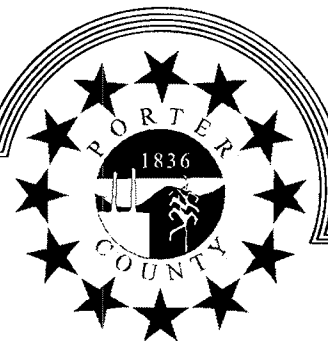
Auditor

(Title)

11 | 20 | 14

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b).)



Porter County Auditor
Administration Center
155 Indiana Avenue • Suite 204
Valparaiso, Indiana 46383

Robert J. Wichlinski
Auditor

(219) 465-3445

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-7

Original Assigned SBA Audit Report Number: B42931

Report Period: January 1, 2012 to December 31, 2012

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Child Services

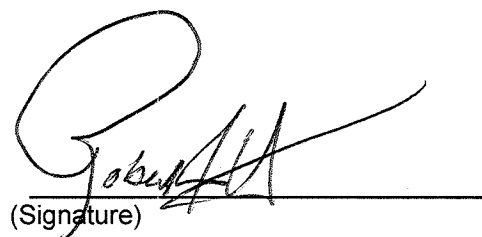
Contact Person Responsible for Corrective Action: Robert Wichlinski

Contact Phone Number: 219-465-3350

Status of Audit Finding:

The Commissioner's Office should then designate a person or persons to oversee the policies and procedures that are in place. As for the Auditor's Office in this instance, the only controls that our office can take is making the staff in the IV-D office aware that they need to make sure that they competitively bid out any purchases of \$10,000 or more.

Due to the process that is in place throughout the County, there is no other way for the Auditor's Office to monitor this finding. All departments are given permission to buy supplies, or other expenditures for their office first, and then they turn in the invoice to our office to pay whichever vendor they choose to do business with. So as the Auditor's Office, we are obligated to pay the bill that each department has created, without them ever contacting us first.

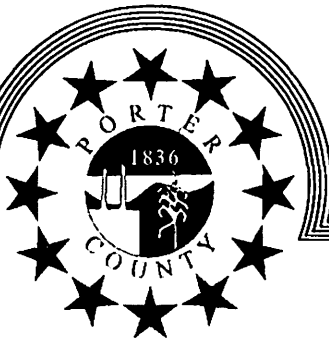

(Signature)

Auditor
(Title)

11/20/14
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b).)

COUNTY - PORTER



COURTHOUSE
16 E. LINCOLNWAY • SUITE 211
VALPARAISO, INDIANA 46383

TELEPHONE:
(219) 465-3450

KAREN M. MARTIN

CLERK OF THE CIRCUIT AND SUPERIOR COURTS

November 20, 2014

Fax: (317) 232-4711

State Board of Accounts
302 West Washington St
Room E418
Indianapolis, IN 46204

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Please be advised that this is my official response regarding the implementation of the corrective plan of action.

FINDING 2012-04

Original Assigned SBA Audit Report Number: B42931
Report Period: January 1, 2012 to December 31, 2012
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Child Services
Contact Person Responsible for Corrective Action: Karen Martin
Contact Phone Number: 219-465-3463

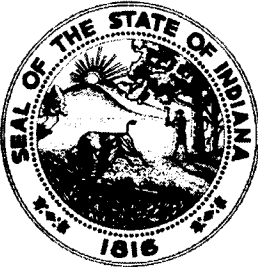
The Cooperative Agreement is kept at the Courthouse location.

FINDING 2012-05 and FINDING 2012-08

Original Assigned SBA Audit Report Number: B42931
Report Period: January 1, 2012 to December 31, 2012
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Child Services
Contact Person Responsible for Corrective Action: Karen Martin
Contact Phone Number: 219-465-3463

Dossett Company has compiled the information and they will be reviewing and preparing our reports as soon as the Commissioners approve the contract on September 16, 2014. This contract was approved and Dossett is now preparing our monthly and quarterly reimbursement reports.

Karen M. Martin
Clerk of the Circuit Court



PORTER COUNTY PROSECUTING ATTORNEY
OFFICE OF CHILD SUPPORT ENFORCEMENT

15 N. FRANKLIN - SUITE 100
VALPARAISO, IN 46383
PHONE: 219-465-3405 ~ FAX: 219-465-3689
EMAIL: CHILDSUPPORT@PORTERCO.ORG
WEBSITE: WWW.PORTERCO.ORG

Tuesday, August 05, 2014

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-04

Original Assigned SBA Audit Report Number: B42931
Report Period: January 1, 2012 to December 31, 2012
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Child Services
Contact Person Responsible for Corrective Action: Laura A. Bernacki Stafford, IVD Director
Contact Phone Number: 219-465-3872

Status of Audit Finding:

I have a copy of the current cooperative agreement in my personal office. I also have access to the auditor system and verify all expenditures. Additionally I received a complete county code manual that includes purchasing rules.

FINDING 2012-05

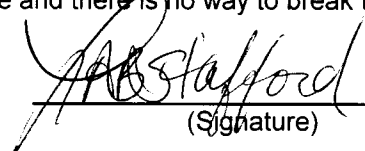
Status of Audit Finding:

I have reviewed all payroll. The elected prosecutor signs it. All other areas of concern in this finding I was not responsible for.

FINDING 2012-08

Status of Audit Finding:

I was advised that each person is allotted \$17,380.00 for insurance and there is no way to break this down or specify any further details.


(Signature)

IVD Director
(Title)

8/5/14
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b).)

**PORTER CIRCUIT COURT
COURTHOUSE
16 LINCOLNWAY
VALPARAISO, INDIANA 46383**

MARY R. HARPER, JUDGE

**PHONE: 219-465-3425
FAX: 219-465-3647
EMAIL: d05@porterco.org**

November 18, 2014

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-005

Original Assigned SBA Audit Report Number: B42931
Report Period: January 1, 2012 to December 31, 2012
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Child Services
Contact Person Responsible for Corrective Action: Judge Mary Harper
Contact Phone Number: [219] 465-3425

Status of Audit Finding:

The IV-D Court in Porter County operates under the oversight of Commissioner Moser, who presides over the cases. The IV-D courtroom is used only for Title IV-D cases. The IV-D Court was established to create more efficient processing of IV-D cases and assists in meeting the expedited processing requirements of the IV-D program per Indiana Code 31-25-4-15.

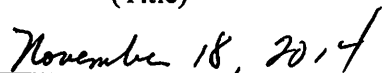
The Indiana Department of Child Services has confirmed the IV-D Court in Porter County has the oversight of a non-judicial officer, Commissioner Moser. The IV-D courtroom is used only for Title IV-D cases and was established to assist in meeting expedited processing requirements of the IV-D program. Per CSB, the IV-D Court's expenditure of the funds was allowable under the particular requirements of 45 C.F.R.304.21



(Signature)



(Title)



(Date)



1995 South State Road 2
Valparaiso, IN 46385
219-465-3593
Russell Shirley, Director
Mike Weber, Deputy Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

IN State Board of Accounts

Finding 2012-09

Original assigned SBA Audit Report Number B42931

Reporting Period January 1 – December 31 2012

Pass-through entity or Federal Grantor Agency; Indiana Department of Homeland Security

Contact person responsible for corrective action: Russell Shirley

Contact phone number: 219-465-3593

Status of Audit Finding:

An asset management tagging system has been purchased and has been implemented at this time. An asset inventory is currently underway; however it has been delayed by a shortage of staff. The staffing issue is being addressed and will be resolved by the end of October 2014. Inventory should be completed by December 31, 2014. With the addition of the asset management tagging system future inventory will be completed on a yearly basis, and as new equipment arrives it will be tagged and placed into the system.

Russell Shirley
Director,
Porter County
Emergency Management



1995 South State Road 2
Valparaiso, IN 46385
219-465-3593
Russell Shirley, Director
Mike Weber, Deputy Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

IN State Board of Accounts

Finding 2012-10

Original assigned SBA Audit Report Number B42931

Reporting Period January 1 – December 31 2012

Pass-through entity or Federal Grantor Agency; Indiana Department of Homeland Security

Contact person responsible for corrective action: Russell Shirley

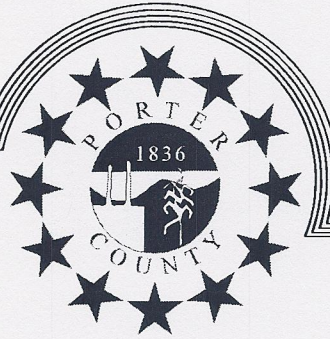
Contact phone number: 219-465-3593

Status of Audit Finding:

A minimum of 3 quotes are now obtained for all expenditures expected to be over \$5,000.

Individual files are now maintained for all expenditures requiring quotes, including rejected quotes.

Russell Shirley
Director,
Porter County
Emergency Management



Robert J. Wichlinski
Auditor

(219) 465-3445

CORRECTIVE ACTION PLAN

FINDING 2013-001

Contact Person Responsible for Corrective Action: Robert J. Wichlinski
Contact Phone Number: 219-465-3350

Description of Corrective Action Plan:

- 1.) Reports will be compiled on a quarterly basis (vs. annual basis) and reconciled with the Treasurer worksheets that are provided.
- 2.) Auditor requests for financial information from the Financial System administrator(s) will be refined to assure accurate reporting.
- 3.) A workshop will be convened to assure:
 - a. Financial System administrators understand the relationship between them and the Auditor,
 - b. Financial System administrators understand their reporting requirements.
- 4.) The annual report will represent the progressive compilation of quarterly reports. The totals will be entered in the system by one Deputy Auditor, verified by a separate Deputy Auditor, and approved by the County Auditor.

Anticipated Completion Date: February 1, 2015

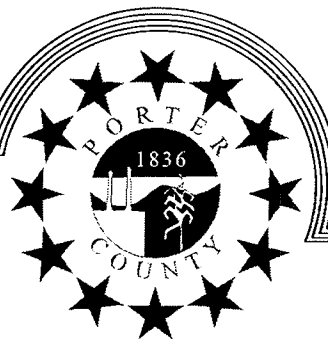
(Signature)

Auditor

(Title)

11/6/14

(Date)



Robert J. Wichlinski
Auditor

(219) 465-3445

CORRECTIVE ACTION PLAN

FINDING 2013-01

Contact Person Responsible for Corrective Action: Payroll
Contact Phone Number: 219-465-3350

Description of Corrective Action Plan:

- 1.) A series of workshops will be convened to instruct department personnel responsible for administering payroll in the importance of reviewing and assuring the accuracy of the reports supporting their bi-weekly payroll. Attendees will also be given instruction in the means by which to make the calculations necessary to accurately complete the reports using the County's financial system.
- 2.) The County Auditor will review and reconcile payroll submission and report inaccuracies and deficiencies to both the department payroll administrator and the County Board of Commissioners.
- 3.) The County Board of Commissioners will be encouraged to consider investment in a real-time time & Attendance system in an effort to eliminate antiquated time cards.

Anticipated Completion Date: January 1, 2015

A handwritten signature in black ink, appearing to read "Robert J. Wichlinski".

(Signature)

AUDITOR

(Title)

11/12/14

(Date)

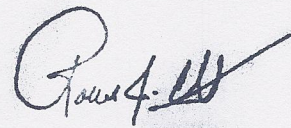
FINDING 2013-002

Contact Person Responsible for Corrective Action: Robert J. Wichlinski
Contact Phone Number: 219-465-3350

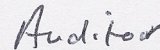
Description of Corrective Action Plan:

- 1.) A staff workshop will be convened to review the errors noted by the SBOA to assure the Deputy Auditors understand the proper means by which to extract the necessary data from the separate Departments to complete the report and the means by which to enter the data into the Financial System and then imputed into the Gateway System.
- 2.) Totals will be entered into Gateway by one Deputy Auditor, verified by a separate Deputy Auditor, and approved by the County Auditor.

Anticipated Completion Date: February 1, 2015



(Signature)



(Title)



(Date)



Porter County Sheriff's Department

David E. Lain
Sheriff

Steve Lawrence
Chief Deputy

November 3, 2014

**Corrective Action Plan
Re: State Board of Accounts Report**

Finding 2013-003
Internal controls over financial transactions and reporting

The accounting practices in the areas of the Sheriff's Commissary account, Inmate Trust account and Civil Bureau accounts have been consistent for many years. We do appreciate however that the SBOA recognizes that there are opportunities for additional checks and balances that should be undertaken and formalized.

In the case of the commissary funds, that administrator will now share reports with the Chief Deputy who will review and approve the account on a monthly basis. The inmate trust fund will be forwarded by the administrator to the Assistant Jail Administrator who will review and approve the same, monthly.

It is hoped that with the change in contractors (Stellar) through which these accounts flow, the improved external controls that are now in place will also enhance our internal efficiency in tracking those accounts.

The various Civil Bureau accounts will ultimately be reviewed and approved by the Civil Bureau Supervisor after each account's administrator has compiled them.

Respectfully,

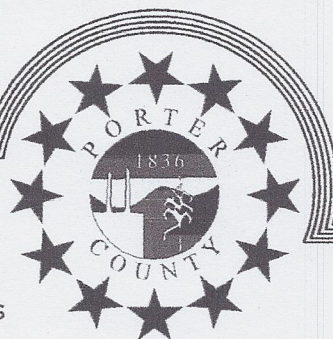
A handwritten signature in black ink that reads "David E. Lain".

Sheriff David Lain

COUNTY - PORTER

KAREN M. MARTIN

CLERK OF THE CIRCUIT AND SUPERIOR COURTS



COURTHOUSE
16 E. LINCOLNWAY • SUITE 211
VALPARAISO, INDIANA 46383

TELEPHONE:
(219) 465-3450

November 6, 2014

FAX: (317)232-4711

State Board of Accounts
302 West Washington St
Room E418
Indianapolis, IN 46204

CORRECTIVE PLAN OF ACTION

Please be advised that this is my official response regarding the findings

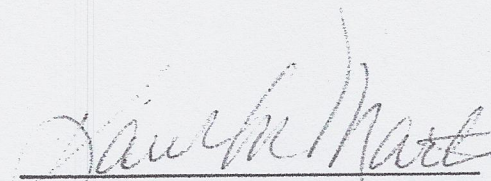
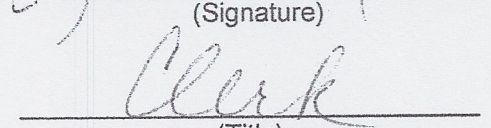
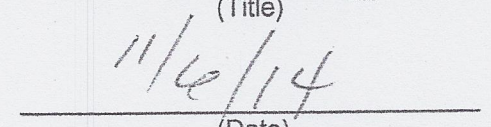
FINDING 2013-004

The trust and depository balances have not balanced since June 2007.

The biggest challenge is that, the program the information was originally entered into is not accounting software. In September 2013 we converted the files into Odyssey that does include accounting. Since we could not get good balance numbers originally we did not convert the financial information. We are in the process of reviewing and entering all information manually. We do balance on a monthly basis with all entries that are made in Odyssey since September 2013.

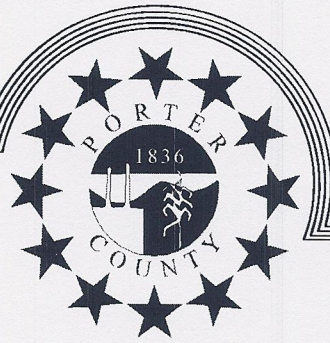
Sincerely,

KAREN M. MARTIN
Clerk of the Circuit Court


(Signature)

(Title)

(Date)

COUNTY - PORTER

MICHELLE CLANCY
TREASURER



PORTER COUNTY TREASURER
ADMINISTRATION CENTER
155 INDIANA AVENUE
SUITE 209
VALPARAISO, INDIANA 46383

TELEPHONE: (219) 465-3470
FAX: (219) 465-3821
E-MAIL: MCLANCY@PORTERCO.ORG

October 28, 2014

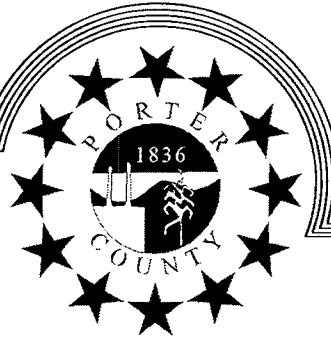
Responding to SBOA Finding 2013 -005 - Corrective Action plan

Implementation Date: Immediately

The Treasurer will, on a monthly basis before monthly closing, review, compare and verify that the balances of the investment depositories' statements are reconciled to the balances in the Auditor's ledger and to the balances in the Treasurer's Cash Book.

A handwritten signature in cursive script that reads "M L Clancy".

Michelle L. Clancy
Porter County Treasurer



Robert J. Wichlinski
Auditor

(219) 465-3445

CORRECTIVE ACTION PLAN

FINDING 2013-006

Contact Person Responsible for Corrective Action: Robert J. Wichlinski
Contact Phone Number: 219-465-3350

Description of Corrective Action Plan:

- 1.) Reports will be compiled on a quarterly basis (vs. annual basis) and reconciled with required Federal on-line reporting.
- 2.) Auditor requests for financial information from the grant administrator(s) will be refined to assure accurate response.
- 3.) A workshop will be convened to assure:
 - a. Grant administrators understand the relationship between them and the Auditor
 - b. Grant administrators understand their reporting requirements.
- 4.) The annual report will represent the progressive compilation of quarterly reports. The totals will be entered into the system by one Deputy Auditor, verified by a separate Deputy Auditor, and approved by the County Auditor.

Anticipated Completion Date: January 1, 2015

A handwritten signature in black ink, appearing to read "Robert J. Wichlinski".

(Signature)

A handwritten signature in black ink, appearing to read "Auditor".

(Title)

A handwritten date in black ink, appearing to read "11/13/14".

(Date)

PORTER COUNTY PROSECUTING ATTORNEY
OFFICE OF CHILD SUPPORT ENFORCEMENT

15 N. FRANKLIN - SUITE 100

VALPARAISO, IN 46383

PHONE: 219-465-3405 ~ FAX: 219-465-3689

EMAIL: CHILDSUPPORT@PORTERCO.ORG

WEBSITE: WWW.PORTERCO.ORG

CORRECTIVE ACTION PLAN

FINDING 2013-006 – Internal Controls Over Child Support Enforcement

Contact Person Responsible for Corrective Action: Laura A Bernacki Stafford
Contact Phone Number: 219-465-3872

Description of Corrective Action Plan:

Obtain written documentation of employee insurance costs.

Anticipated Completion Date:

October 30, 2014


(Signature)

IVD Director/Deputy Pros.
(Title)

10/30/14
(Date)

**Laura Bernacki Stafford** <labstafford@gmail.com>

help

3 messages

Laura Bernacki Stafford <labstafford@comcast.net>
To: Brenda Bailey <bbailey@porterco.org>

Thu, Oct 30, 2014 at 1:38 PM

Brenda-

Can you please let me know how much insurance per person is for 2014 and if you know for 2015. I believe that it is \$15,800.

Thanks,
Laura
Laura A. Bernacki Stafford, Esq.
IV-D Director
Porter County Prosecutors Office
Child Support Division
15 N. Franklin, Ste. 100
Valparaiso, Indiana 46383
219-465-3872
lstafford@porterco.org

Please consider the environment before printing this email.

Brenda Bailey <BBailey@porterco.org>
To: Laura Bernacki Stafford <labstafford@comcast.net>

Thu, Oct 30, 2014 at 2:44 PM

*Laura,**The \$15,800 was for the 2013 budget.**The 2014 & 2015 budget is \$17,380. However, the memo attached for 2015 says subject to change.**Thanks,*

Brenda Bailey

Insurance Benefits Administration

Porter County Auditor's Office

155 Indiana Ave

Suite # 202

Valparaiso, IN 46383

Office ~ 219.465.3633

Fax # ~ 219.465.3588

bbailey@porterco.org

From: labstafford@gmail.com [mailto:labstafford@gmail.com] **On Behalf Of** Laura Bernacki Stafford
Sent: Thursday, October 30, 2014 1:38 PM
To: Brenda Bailey
Subject: help

[Quoted text hidden]

 **2015_Budget Memo.doc**
33K

Laura Bernacki Stafford <labstafford@comcast.net>
To: Brenda Bailey <BBailey@porterco.org>

Thu, Oct 30, 2014 at 3:22 PM

thanks

Laura A. Bernacki Stafford, Esq.
IV-D Director
Porter County Prosecutors Office
Child Support Division
15 N. Franklin, Ste. 100
Valparaiso, Indiana 46383
219-465-3872
lstafford@porterco.org

Please consider the environment before printing this email.

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1995 South State Road 2
Valparaiso, IN 46385
219-465-3593
Russell Shirley, Director
Mike Weber, Deputy Director

November 3rd, 2014
Indiana State Board of Accounts

Finding 2013-007, 11/03/2014, Corrective Action Planned:

1. All capital asset purchases will be registered with the Porter County Auditor's office.
2. Initially capital asset purchases for the past two years (2012 – 2013) will be submitted to the Porter County Auditor's office. After these entries have been made we will conducted an in-depth internal audit to reconcile the Porter County Auditor's office records to our past Requests For Expenditures.
3. Initially all RFE's for the past two years will be entered into iGMS, following that RFE's for the previous 5 years will be entered into iGMS.
4. Equipment inventories will be conducted every year in December.

A handwritten signature in black ink that reads "Russell Shirley".

Russell Shirley
Director,
Porter County EMA

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the County. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.